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C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 001753

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SUBJECT: BERLIN MEETING OF FORCED LABOR AGREEMENT BOARD OF
TRUSTEES, JUNE 21-22

Classified By: Acting PolCouns Michael B. Martin. Reason: 1.4(b) and (d)

Summary

1. (U) The Board of Trustees (Kuratorium) of the "Foundation Remembrance, Responsibility, and Future," responsible for oversight of compensation programs for Nazi-era forced laborers and for promoting tolerance and anti-Semitism in the future, met in Berlin June 21-22. There were two key issues before the Trustees: 1) Considering how the Foundation could work with the Commission (ICHEIC) administering paying insurance policy claims to beneficiaries or their heirs on a number of claims that did not reach ICHEIC from other institutions before ICHEIC's application deadline had closed. No clear solution was arrived at, though conversations on the margins suggested a way forward. 2) Electing a new Board of Directors for the Foundation, an issue complicated by the desire of some Trustees to simplify Foundation management as it completes its major task of making forced-labor payments and focuses on the long-term effort of promoting tolerance and combating anti-Semitism (Future Fund). End Summary.

ICHEIC "Post-Deadline" Cases

2. (U) Maura Rudman, an ICHEIC lawyer and representative, briefed the Trustees on ICHEIC successful handling of its claims and on its plans to close down its operations. Responding to earlier comments about a relatively small but as yet non-specified number of cases that were forwarded to ICHEIC by Austrian and Swiss institutions, Rudman reiterated ICHEIC's view that applications not received by ICHEIC until after its deadline (even if filed elsewhere before the deadline) were &post-deadline8 cases and not actionable. She said a solution could be found, but offered only the suggestion that Switzerland and Austria accept that they handle these cases as a trade-off for ICHEIC having previously handled some of their cases under its 8(a)(1) and 8(a)(2) processes. Several Trustees indicated their disappointment with this position. Board Chairman Kastrup sought to end the discussion with a statement praising ICHEIC's work but regretting that ICHEIC might be seen now as lagging because of its attitude on these cases.

3. (C) Rudman responded with some heat to this comment - saying that she would convey the Trustees' views but that she did "not accept (the Kuratorium,s) right to criticize (ICHEIC)" and that she &would not be lectured to.8 This prompted a number of statements by trustees praising ICHEIC,s work but urging a flexible approach in order to reach a solution.

4. (C) In subsequent side-bar conversations, Rudman

indicated there might be a possibility of getting ICHEIC to transfer funds to the Foundation to cover what it considers to be post-deadline cases. She asked that the Foundation provide details as to the number of cases involved and the cost as a basis for further discussion. Foundation Spokesman Hennig seemed optimistic that a solution to the problem could be found on this basis.

Restructuring of the Board/Election

15. (C) Background: Prior to the Board meeting, The Jewish Claims Conference (JCC) and the American Jewish Committee had contacted the Embassy to raise their concern about the process for nominating replacements to retiring Directors Braeutigam (Chairman of the Board of Directors) and Bopp. The process was apparently transparent only to Trustees from the Foundation's funding organizations. In particular, only on June 21 were all Trustees given the name of the candidate nominated to replace Bopp. In addition, the JCC and Dieter Nietan (a Deputy Trustee from the Social Democratic Party) on June 21 reported that the German government, at the urging of the business members of the Trustees, sought to reduce the Board of Directors to a single member by mid-2007. According to Nietan, Thomas de Maiziere, head of the Chancellor's Office, personally intervened with MdBs Wiefelsputz (SPD) and Bosbach (CDU), two trustees, in support of such a restructuring.

16. (C) The restructuring was to be accomplished by the resignation after one year of the Chairman of the Directors (slotted to be Michael Jansen) and his replacement as Chairman by the replacement for Dr. Bopp (slotted to be Dr. Martin Salm, see below). In addition, after one year, when forced labor payments are expected to be completed, Director

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Saathoff would be downgraded to a financial overseer) not a full board member. This would leave a one-member Board of Directors. The motives for this are unclear, but most contacts attributed it to a desire by industry to enhance their standing and increase their voice in the programming of Future Fund monies. Foundation Spokesman Hennig confirmed the plan, but maintained that the reason was simply the fact that, with the close-out of the payments function, there was no need for a larger Board of Directors. He said there would be no change to the Kuratorium or U.S. interests by this development. Others suggested an additional motive: that Director Saathof's past role as a Greens party activist on behalf of the Nazi victims was not appreciated.

17. (C) In the event, there was a very tough and lengthy discussion the morning of June 22 during which Dr. Kastrup repeatedly tried to get the trustees to accept a proposal that would have led to the changes outlined above, even though a majority (composed of POs and some Bundestag members) were clearly opposed. In the end, he was forced to accept a proposal tabled by Beck (Greens) for a three-year Board term for Saathof, which the trustees passed by a vote of 16 for (including U.S.) to 6 against. Saathof himself was then elected with 17 votes for (including U.S.) to 6 against. With Saathof's position and an (at least) two-person board secure, the elections of Jansen for one year as Chairman of the Directors and of Salm as Bopp's replacement were not controversial. Dr. Salm, formerly with Caritas International (bio faxed to EUR/OHI), was elected by a vote of 16 for (including U.S.) to 4 against -- several Partner Organizations had expressed concern that he had not previously been directly engaged in Holocaust or forced labor-related work. As part of his election the trustees agreed that he will become Board Chair when Jansen leaves after a year. Jansen, well known from his previous service as Board Chairman, was elected by 20 (including U.S.) to 1 for a one-year term.

18. (C) Because Jansen will leave in a year and there was

general acceptance that the Board will be reduced to two, the law governing the Foundation will have to be reopened to change, at a minimum, the obligation that the Board consist of three persons. Whether other changes to the Board of Trustees or other provisions might be considered is unclear, though there was widespread speculation that the business community and parts of the German government believe it would be a good idea to consider reducing the size of the Board of Trustees as well. However, given the fight over Director Saathoff's nomination, many contacts connected to the government indicated considerable skepticism about the chances of success for such a maneuver.

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